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June 22, 1995

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William F. Caton, Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

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JUN 22 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

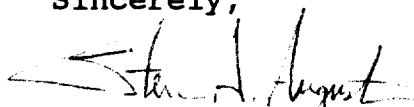
Re: CC Docket No. 92-77  
Billed Party Preference for 0+ InterLATA Calls

Dear Mr. Caton:

Genevieve Morelli and Jim Smith of CompTel, Danny Adams and I met with Mary Beth Richards of the Common Carrier Bureau today to discuss the Coalition proposal for a rate ceiling. The attached materials were distributed at the meeting.

In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this notice and attachments are provided for inclusion in the public record.

Sincerely,

  
Steven A. Augustino

SAA/1lh  
enclosure  
cc: Mary Beth Richards

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**Ex Parte Presentation**

**Billed Party Preference for 0+ InterLATA Calls**  
**CC Docket No. 92-77**

**The Competitive Telecommunications Association**

**June 22, 1995**

**Ex Parte Presentation of the Competitive Telecommunications  
Association in Support of the Coalition Rate Ceiling Proposal**

The Coalition Rate Ceiling provides a simple, enforceable maximum rate which balances legitimate OSP cost recovery with consumer interests in obtaining low rates. The Rate Ceiling is comparable to other customary and accepted alternatives for end users when placing calls away from their homes or offices. For example:

**Person to Person Calls**

- The Coalition Rate Ceiling for a 1 minute call is less than AT&T's current charge for daytime calls in the 1911-3000 mile rate band (\$4.75 vs. \$4.81) and, for a 9 minute call, exceeds AT&T's person to person rate by only 9%.

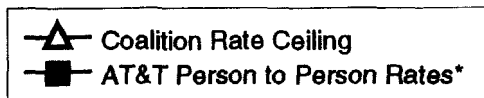
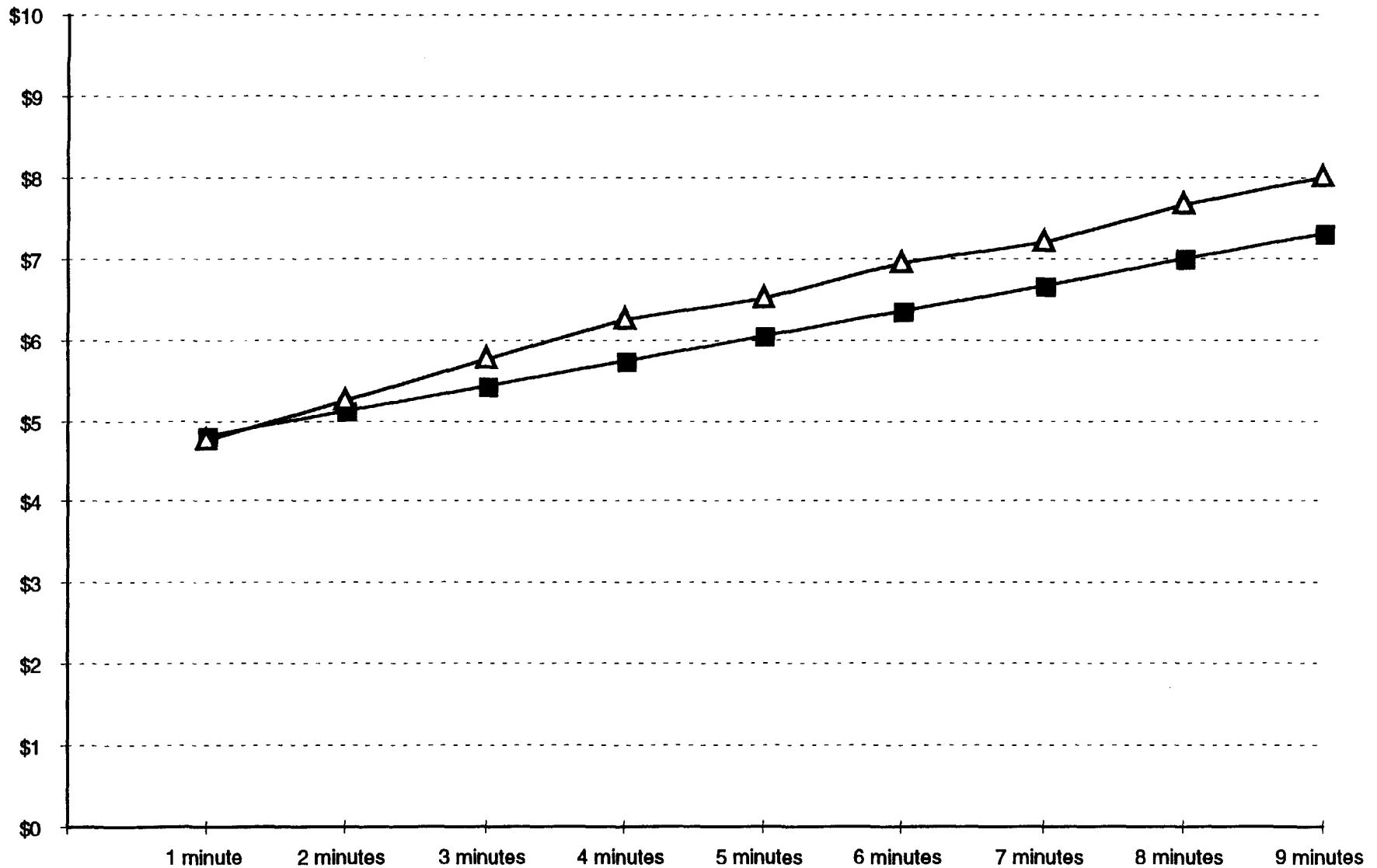
**Calling Card & Live Operator Calls**

- The Coalition Rate Ceiling is lower than current charges for several call alternatives, including hotel direct dial rates, cellular telephone roaming charges, and intrastate rate caps adopted by state regulatory commissions in Illinois and Texas.
- Comparisons made to the rates of large carriers often exclude charges paid by end users for some alternatives, such as fees charged by hotels for local and dial around calls. A survey found Washington, D.C. hotels using AT&T as their OSP typically charge 75¢ to \$1.00 per call, often including calls made to 800 numbers for dial-around purposes. These charges are included in the OSP rates for long distance calls handled by competitive OSPs. A fair comparison of end user costs must add these charges to AT&T calls.
- When all fees paid by an end user are included, the Coalition Rate Ceiling exceeds comparable AT&T rates by 50% or less for many operator assisted call types.
- A 10 minute call using Sprint's Debit Card (.58¢/minute) is only 25% less than the Coalition Rate Ceiling, even though debit cards avoid significant OSP costs such as third party validation, bill processing, third party billing fees, bad debt, uncollectible debt, billing inquiry, and phone owner commissions. These costs can account for 25% or more of an OSP's costs.

The Coalition Rate Ceiling should be established as a benchmark for a presumption of reasonableness and the billed party preference proceeding should be terminated.

# Person to Person Rate Comparison

CC Docket No. 92-77  
June 22, 1995

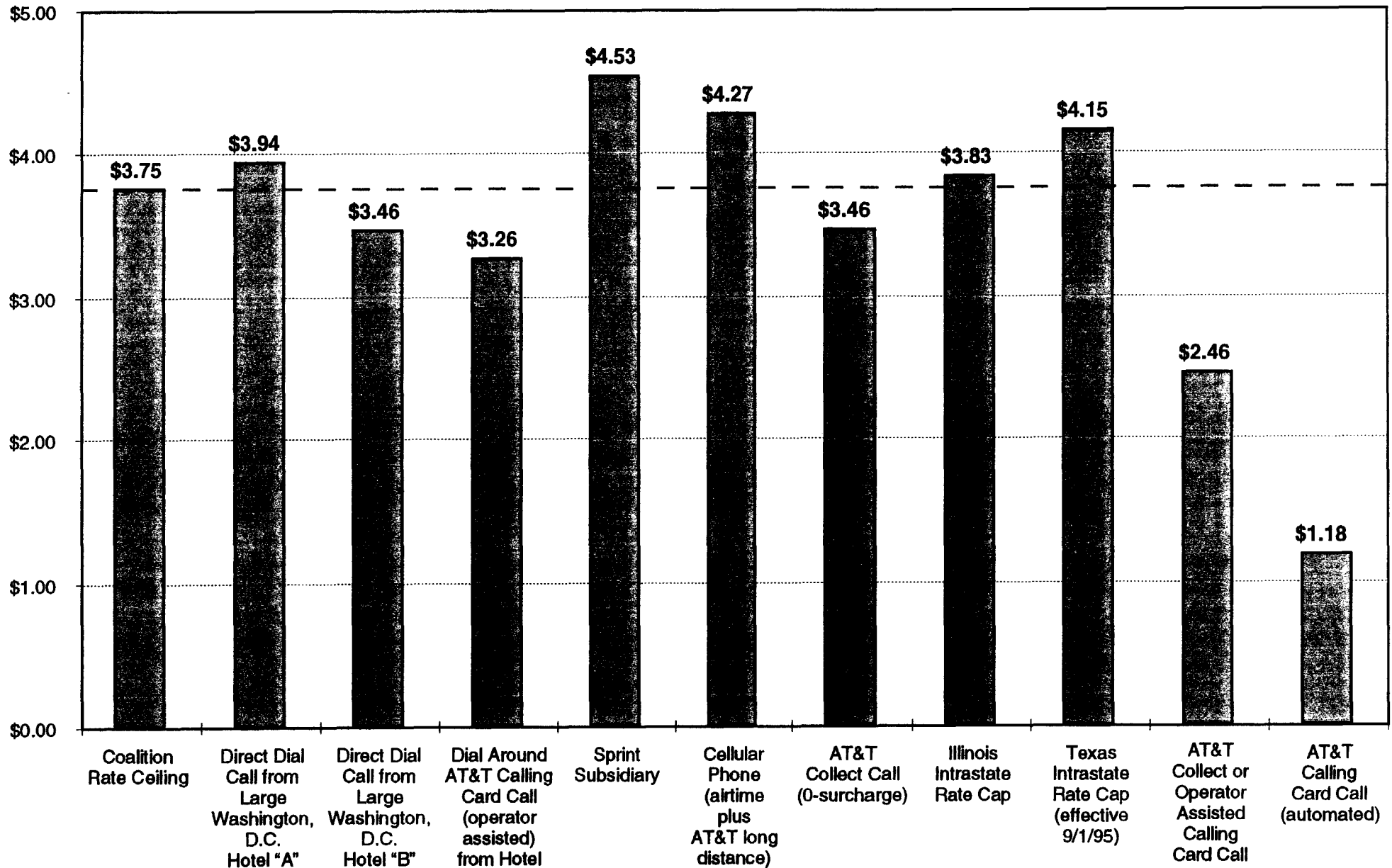


\* AT&T daytime rates, 926-1910 or 1911-3000 mile distance. Assumes call is billed to a LEC calling card.

# Away From Home Call Alternatives

## 1 Minute Calls

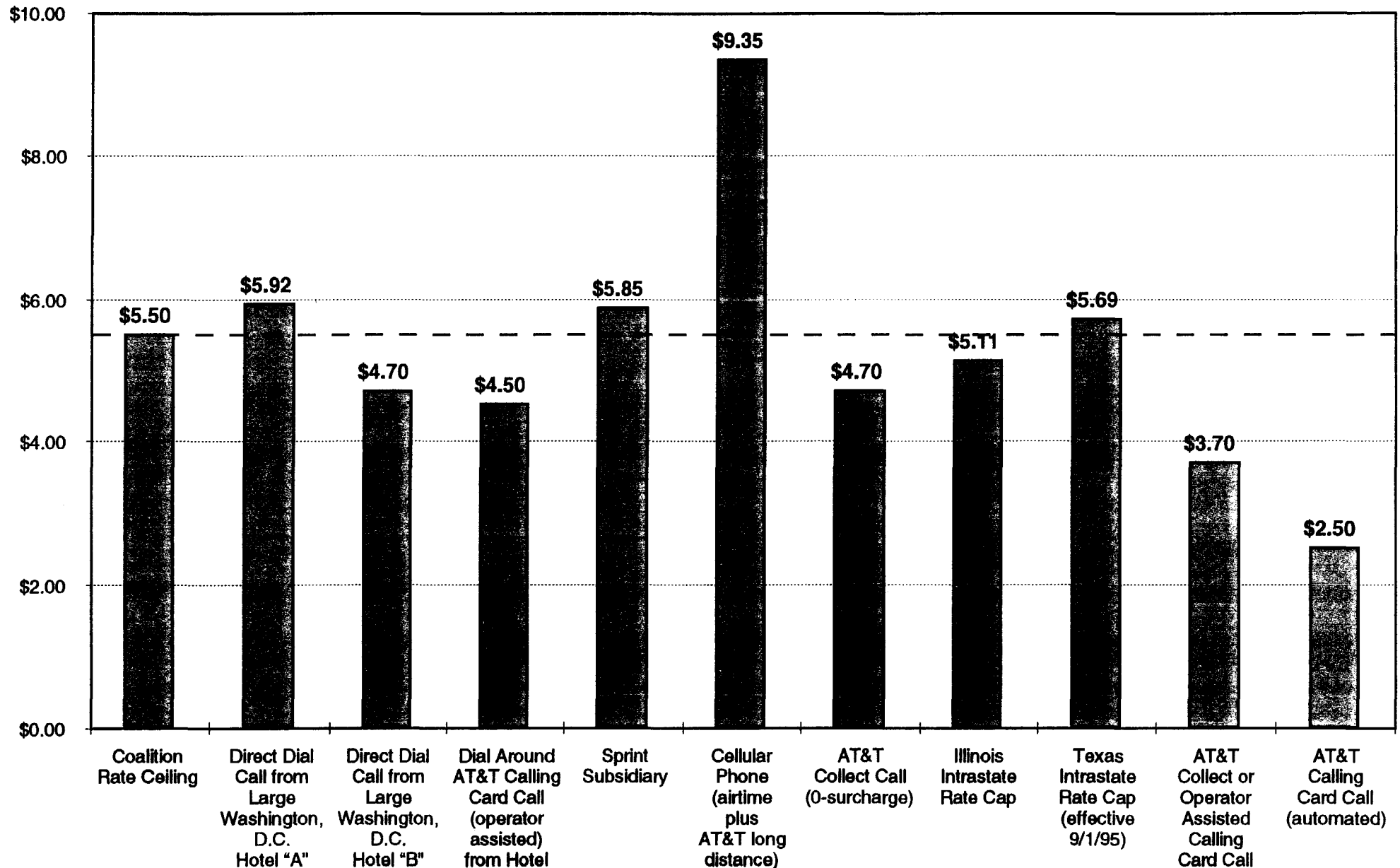
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June 22, 1995



# Away From Home Call Alternatives

## 5 Minute Calls

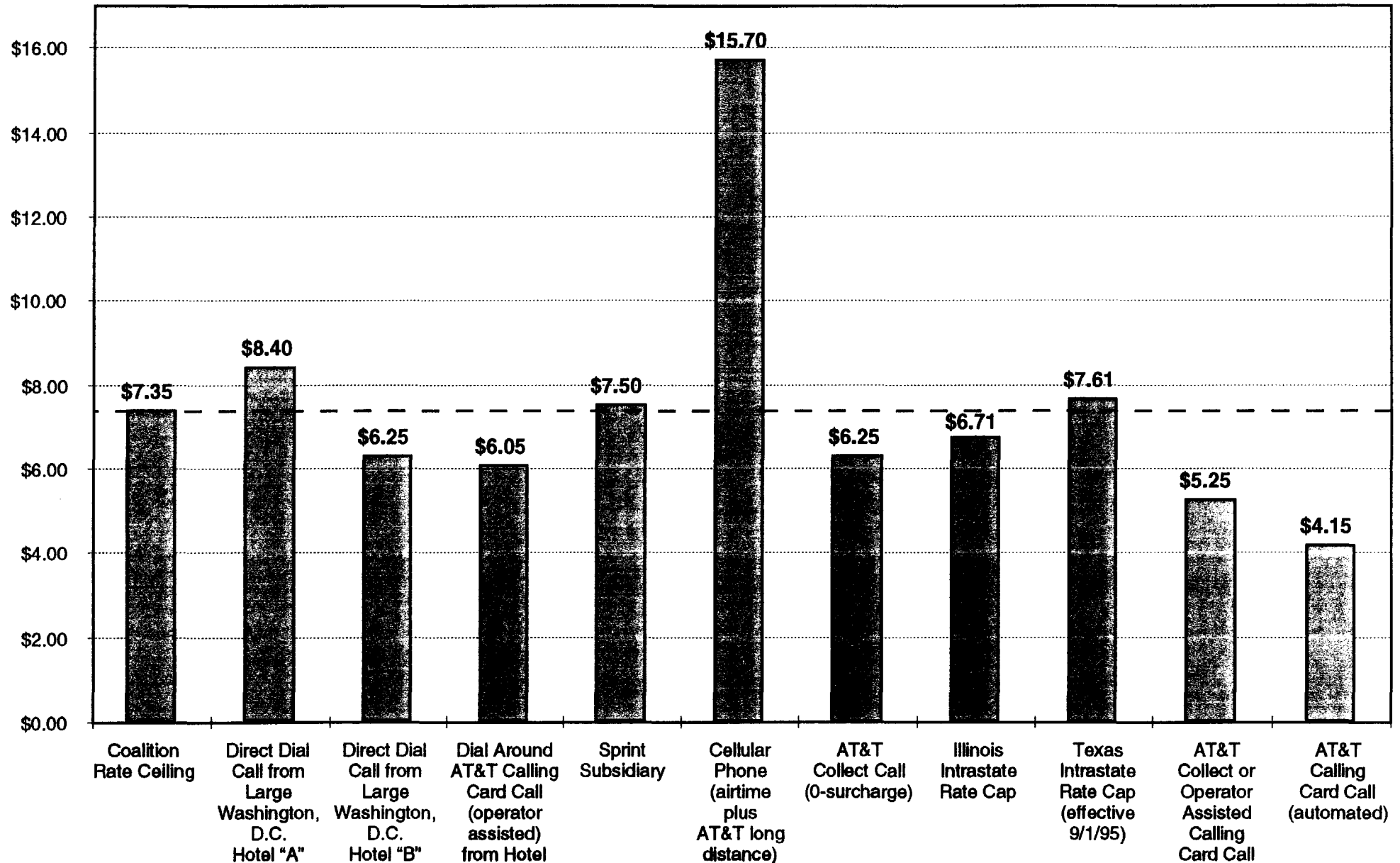
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# Away From Home Call Alternatives

## 10 Minute Calls

CC Docket No. 92-77  
June 22, 1995



## SOURCES

1. Hotel "A"                      The Washington Court Hotel. The hotel stated that its direct dial rates equal AT&T operator assisted daytime charges plus a 60% surcharge. Charges are rounded to the nearest penny.
2. Hotel "B"                      The Ritz Carlton Hotel. The hotel stated that its direct dial rates equal AT&T operator assisted daytime charges plus a \$1 surcharge.
3. AT&T charges                  All AT&T charges were derived from AT&T Tariff F.C.C. No. 1 at daytime rates for a 926-1910 or 1911-3000 mile call.
4. Dial Around AT&T  
Calling Card Call  
(operator  
assisted) from  
Hotel                      AT&T charges (see above) plus a hotel surcharge of \$0.80 per call. Survey of Washington, D.C. area hotels reported surcharges ranging from \$0.75 to \$1 per call.
5. Sprint subsidiary              ASC Telecom tariffed rates as of April 5, 1995. Charges are calculated according to Rate Schedule 2, which ASC estimated would be the rate for 50% of its minutes. Charges are those applied to a daytime 0+ LEC calling card call for a 1911-3000 mile call distance.
6. Cellular phone                  Charges applicable to a Cellular One mobile phone used on a roamer basis in non-SWBC mobile territories. Calls are billed at \$0.99 per minute plus a \$3 per day roaming fee plus AT&T's daytime dial station rate.
7. AT&T Collect Call  
(0- surcharge)                  AT&T collect rates (see above) plus \$1 per call operator dialed surcharge.
8. Illinois  
Intrastate Rate  
Cap                      Illinois Commerce Commission rules \$ 771.605. Charges calculated for 0- call in the 125-292 mile rate band.
9. Texas Intrastate  
Rate Cap                      Rate cap becomes effective September 1, 1995. Charges calculated for a 0- call in the 125-292 mile rate band. Charges are rounded to the nearest penny.



# WASHINGTON D.C. HOTEL TELEPHONE CHARGES

Hotel	Local Calls	800 # Calls	Calling Card	Direct Dial Long Distance Calls	OSP
Capital Hilton	.90¢	NC	.90¢	\$1.50 + AT&T rates	AT&T
Grand	.95¢	**	.95¢	20% + AT&T rates	AT&T
Grand Hyatt	.75¢	.75¢	.75¢	.75¢ + AT&T rates	AT&T
Hilton & Towers	.85¢	NC	NC	AT&T rates	AT&T
Hyatt Regency	.75¢	.75¢	.75¢	.75¢ + .20¢/min.	AT&T
Loew's L'Enfant	\$1.00	\$1.00	\$1.00	\$1.00 + AT&T rates	AT&T
Madison	.90¢	.90¢	.90¢	.90¢ + AT&T rates	AT&T
Mayflower	.85¢	NC	NC	\$2.00 + AT&T rates	AT&T
Omni Shoreham	.75¢	NC	NC	AT&T rates	AT&T
Park Hyatt	.75¢	.75¢	.75¢	\$1.75 + AT&T rates	AT&T
Ritz-Carlton	\$1.00	\$1.00	\$1.00	\$1.00 + AT&T rates	AT&T
Sheraton	.75¢	NC	NC	55% + AT&T rates	AT&T
Washington Court	\$1.00	\$1.00	\$1.00	60% + AT&T rates	AT&T

NC = No charge

\*\* = Rate under reconsideration

Notes: Survey conducted June 14-16, 1995 via telephone interview.

**Comparison of AT&T Rates with  
Coalition Rate Ceiling Proposal**

		Duration								
		1 minute	2 minutes	3 minutes	4 minutes	5 minutes	6 minutes	7 minutes	8 minutes	9 minutes
<b>Calling Card Calls</b>	<b>AT&amp;T Automated Operator*</b>	1.18	1.51	1.84	2.17	2.50	2.83	3.16	3.49	3.82
	<b>AT&amp;T Operator Assisted Calling Card</b>	2.46	2.77	3.08	3.39	3.70	4.01	4.32	4.63	4.94
	<b>AT&amp;T Automated Operator with Common Hotel Surcharge**</b>	1.98	2.31	2.64	2.94	3.30	3.63	3.96	4.29	4.62
<b>Rate Cap Proposal</b>	<b>Coalition Rate Ceiling</b>	3.75	4.25	4.75	5.25	5.50	5.95	6.20	6.65	7.00
<b>Live Operator Calls</b>	<b>AT&amp;T Collect</b>	2.46	2.77	3.08	3.39	3.70	4.01	4.32	4.63	4.94
	<b>AT&amp;T Billed to Third Number</b>	2.56	2.87	3.18	3.49	3.80	4.11	4.42	4.73	5.04
	<b>AT&amp;T Collect Call (0- Surcharge)</b>	3.46	3.77	4.08	4.39	4.70	5.01	5.32	5.63	5.94
	<b>AT&amp;T Collect Call with 0- Surcharge and Common Hotel Surcharge</b>	4.26	4.57	4.88	5.19	5.50	5.81	6.12	6.43	6.74

\* All AT&T charges are calculated at daytime rates for a 1911-3000 mile call distance. Unless otherwise specified, charge assumes a LEC calling card is used.

\*\* Uses hotel surcharge rate of \$0.80/call.